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# AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE BUREAU OF AGRICULTURAL ECONOMICS,  
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## SOWEGA ASSOCIATION SHIPS MANY MELONS

Eighteen hundred thirty-six cars of watermelons were handled in the season just past by the Sowega Melon Growers' Association, Adel, Ga. These shipments netted the association members a total sum of \$317,112, an average of \$172 per car. It is stated that 85% of the total number of cars shipped were loaded with melons averaging 24 pounds or more. Shipments during the 1924 season were 3,584 cars.

Subscriptions to stock in the Sowega Fertilizer Corporation are being solicited. Arrangements have been made for handling a number of mixtures of fertilizers, and orders are being taken.

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## MISSOURI'S OLDEST STRAWBERRY ASSOCIATION REPORTS

The Sarcoxie Horticultural Association, Sarcoxie, Mo., organized in 1889, is said to be the oldest strawberry association in Missouri. It has a membership of 388, owns a packing shed valued at \$500, an office building valued at \$600, and a warehouse valued at \$600. Another association, growing a different variety of berries, is located at this point.

Daily pools are operated by the association and two grades of berries are shipped with a differential of 20% in value. The local association has charge of the inspection of the berries and the present inspector has served ten years. A charge of 5% gross is made by the association. This includes the cost of selling. Often the total cost of handling is not more than 3-1/2 per cent, and in such cases a refund is made at the close of the season.

Car load shipments since 1912 are reported as follows:

1912 .....	101	1919 .....	69
1913 .....	59	1920 .....	8
1914 .....	23	1921 .....	40
1915 .....	73	1922 .....	167
1916 .....	104	1923 .....	80
1917 .....	33	1924 .....	100 <u>a/</u>
1918 .....	40	1925 .....	100 <u>a/</u>

a/ Estimated.

FLORIDA CORPORATION HANDLES CHIEFLY CELERY

Celery was the chief commodity marketed in the 1924-25 season by the Florida Vegetable Corporation, Sanford, Fla. The total number of carlots shipped was 1,260, of which there were 1,063 cars of celery, 114 cars of lettuce, 64 of escarole, 5 of chicory, 8 of peppers, and 1 of cabbage, while egg plant, beans, cucumbers, beets, and squash were handled in smaller quantities. Receipts from the sale of these vegetables came to \$635,550, of which the sum of \$552,762, or 87%, went to the growers. Supplies to the amount of \$18,302 were handled. Total general expenses came to \$85,072.

The corporation owns a precooling plant inventoried at \$73,389 and a precooler washer valued at \$2,990. Its outstanding capital stock has a book value of \$18,418.

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COLORADO POTATO EXCHANGE REDUCES HANDLING COSTS

An audit of the books of the Colorado Potato Growers' Exchange, Denver, Colo., shows that the handling costs for the 1924-25 season were reduced more than five and one-half per cent from those of the previous season although the quantity of potatoes handled was about eighteen per cent less than the year before. It is stated that this reduction in cost was brought about almost entirely by the exchange setting up its own sales organization. Careful estimates show that if the exchange had handled as many potatoes last year as it did the year before, the total expenses of operation would have been 14-1/2 cents per hundred instead of 16 cents. Expenses the first year amounted to 17 cents per hundred when the sales were handled by a private company.

Comparative figures for the two years are given in the table below:

Season	Cars Handled	Operating Expenses per cwt.	Gross Prices per cwt. a/	Net to Exchange
		(Cents)		
1923-24	5,006	17.04	\$1.642	\$0.912
1924-25	4,110	16.05	1.648	.936

a/ Including freight.

Excess of assets over liabilities to members at the close of the season amounted to \$107,541. Two per cent of gross sales was deducted each year as a reserve fund for financing purchases of seed and sacks for members. Members were financed for the purchase of seed and sacks to the extent of \$25,000 the first year and \$150,000 the second year.

The exchange includes 21 county units in its membership.

UNIT OF MICHIGAN POTATO EXCHANGE REORGANIZED

A new plan of operation has been worked out by the Farmers' Cooperative Marketing Association, McBain, Mich., one of the units of the Michigan Potato Growers' Exchange. The association was originally organized in 1918 following the unsatisfactory potato marketing season of 1917-18. It was incorporated as a non-stock, non-profit association. Membership requirements were a fee of \$10 and a non-interest-bearing collateral note of \$100. The association prospered from the first. A warehouse was purchased in 1918. The next year a large warehouse was erected, and later, warehouses were acquired at two nearby loading stations. These warehouses have a combined storage capacity of 100 car loads.

Its first season 113 cars of potatoes were shipped; the past season it shipped 213 cars. Shipments through the state exchange the past year were larger than those of any other unit.

The record of shipments by years is as follows:

	<u>Cars</u>		<u>Cars</u>
1918-19 .....	113	1922-23 .....	132
1919-20 .....	73	1923-24 .....	170
1920-21 .....	92	1924-25 .....	213-1/2
1921-22 .....	105		

Purchases of flour, feed, seeds, etc., for its members amount to about \$30,000 a year. A large addition is now being erected to one of the association's warehouses to provide room for the supply business and for equipment for grinding feed.

At the annual meeting of the association in July, 1925, it was decided to convert the original organization into a stock company capitalized at \$30,000, and to organize a non-profit, non-stock shipping association under the name of The Farmers' Potato Shipping Association of McBain. The capital-stock company will own and operate the warehouses and conduct the several lines of business for the potato growers. The new association consists of 252 potato growers who have signed a five-year contract. By means of a "cross-contract" it will employ the capital stock company to store, grade, load and ship the potatoes delivered by the growers.

Already \$11,000 of the capital stock of the company has been subscribed and efforts are being made to dispose of \$4,000 additional at this time.

A new plan for pooling the returns from the potatoes shipped has been worked out. Up to October 1 all shipments will be pooled car by car. From October 1 to November 1 weekly pools will be the order and from November 1 to June 15 there will be a single seasonal pool for all standard grade potatoes.

Expenses for the operation of the association are to be met by deductions which are dependent upon the selling price. For all potatoes sold at a dollar or less per 100 pounds, a deduction of 15 cents will be made. When sales are between \$1 and \$1.50 the deduction will be 17-1/2 cents and when sales are above \$1.50 the deduction will be at the rate of 20 cents per 100 pounds.

Such deductions not needed for expenses will be available for working capital or for return to the growers as patronage refunds, as the growers may decide.



CALIFORNIA LIMA BEAN STATISTICS

Statistical material furnished by the management of the California Lima Bean Growers' Association, Oxnard, Calif., pictures the activity of the association during the eight seasons from 1917 to 1925. During the period, 331,539,780 pounds of beans were sold for \$28,941,011. The beans were of two kinds, regular limas and baby limas. About 80% of the total number of pounds was regular limas and 82% of the total sales was credited to regular limas.

The quantities of beans of each kind handled by the association during the eight-year period, with index numbers, are given in the following table:

Season	Regular Limas		Baby Limas		Total	
	(Pounds)	(Index)	(Pounds)	(Index)	(Pounds)	(Index)
1917-18	25,832,991:	57	4,385,782:	100	25,832,991:	52
1918-19	45,099,653:	100	4,385,782:	100	49,485,435:	100
1919-20	43,288,442:	96	8,582,123:	196	51,870,570:	105
1920-21	32,429,674:	72	16,010,370:	365	48,440,044:	98
1921-22	24,710,350:	55	7,965,773:	182	32,676,123:	66
1922-23	43,011,824:	95	7,500,677:	171	50,512,501:	103
1923-24	31,956,630:	71	8,828,534:	201	40,785,164:	82
1924-25	19,914,180:	44	12,022,722:	274	31,936,952:	64
Total	266,243,744:		65,296,036:		331,539,780:	

Gross sales for the eight year period ranged from a trifle over \$2,000,000 in 1921-22 to over \$5,000,000 in 1919-20. The sales of both kinds of beans handled for the several years were as follows:

Season	Gross Sales					
	Regular Limas		Baby Limas		Total	
	Total	Per Cwt.	Total	Per Cwt.	Total	
1917-18	\$ 2,921,558	\$11.31	-----	----	\$ 2,921,558	
1918-19	4,373,145	9.69	\$389,225	\$ 9.08	4,771,370	
1919-20	4,533,834	10.47	905,716	10.55	5,439,550	
1920-21	1,899,921	5.85	735,641	4.59	2,635,562	
1921-22	1,610,965	6.52	450,973	5.66	2,061,938	
1922-23	3,193,279	7.42	582,253	7.76	3,775,532	
1923-24	2,647,561	8.28	726,352	8.22	3,373,913	
1924-25	2,599,636	13.05	1,361,952	11.33	3,961,588	
Total	23,779,899	a/ 8.931	5,161,112	a/ 7.904	28,941,011	

a/ Average for eight years.

(See Agricultural Cooperation, Vol. III, pp. 319 and 333)

ANNUAL REPORT MADE BY INDIANA WHEAT GROWERS' ASSOCIATION

In its first business year ending June 30, 1925, the Indiana Wheat Growers' Association handled 1,524,250 bushels of wheat which it sold for \$2,377,475. Expense items directly chargeable to the 1924 crop amounted to \$223,671, and the general overhead expense to \$41,728. The larger items making up direct expenses, according to the statement prepared by a certified public accountant, were: storage, \$67,062; handling and trucking, \$64,772; exchange and interest, \$27,926; insurance, \$20,414; farm storage, \$19,976. The overhead expenses were met in part from membership fees which amounted to over \$26,000. Growers were paid \$2,130,824, which was 90% of the sales. The balance available at the close of the year for deferred items and reserves was \$18,855.

Storage allowances of one cent per bushel per month for 1925 wheat will stop on December 31, according to a recent decision of the board of directors. Farm storage after that date will be figured as if the wheat had been delivered on December 31. This action was taken to encourage early deliveries in order that the association may know definitely how much wheat it will have to handle, and also to enable it to close its accounts with the country elevators at the earliest possible dates.

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KANSAS WHEAT GROWERS TO BE PAID ON REGULAR DATES

A regular schedule of dates for payment for 1925 wheat has been announced by the directors of the Kansas Wheat Growers' Association, Wichita, Kan. These dates are as follows: December 10, 1925; June 10, 1926; and September 1, 1926. All payments are to be completed and all checks mailed previous to these dates. It is proposed to make the June payment as large as possible, leaving a comparatively small balance for the final settlement, and, if possible, to make the final settlement in advance of the specified date.

Growers are advised that in order to participate in the December payment they must deliver their wheat in time for the copies of certificates to reach the office by October 31. For wheat which is delivered too late for the certificates to arrive by October 31, the growers will receive simply the regular advance payment, then must wait until June 10 for the next payment.

Rates for farm storage will be as follows: July 15, 1925, to September 15, 1925, two cents per bushel per month; September 15 to December 15, 1925, one cent per bushel per month; December 15, 1925, to March 15, 1926, one-half cent per bushel per month.

Early in 1924 the association took over an elevator at Leavenworth at a cost of \$80,000. The elevator was credited with the regular charges for storing and handling wheat of the 1924 crop for the association. On this basis it earned \$27,000 above all expenses during the season. In addition, the equipment for cleaning and conditioning grain made it possible for the association to market grain under more favorable conditions than would have been possible otherwise.

ALBERTA WHEAT POOL SEEKS BIGGER MEMBERSHIP

A campaign to secure 10,000 new members is announced by the Alberta Cooperative Wheat Producers, Limited, Calgary, Alberta. This will mean 42,000 members and 4,200,000 acres of wheat under contract.

Heretofore, canvassing for members has been on a voluntary basis, but for the present campaign it has been decided to pay for the work on a commission basis. The membership fee is \$3, of which the canvasser will receive \$1.50.

The Alberta Wheat Pool was organized in the summer of 1923. The enthusiasm of the growers and business men was such that by November there were 35,000 members, representing 2,415,413 acres. In spite of the brief time for preparation, the 1923 pool handled 34,222,833 bushels of wheat with a value of \$37,000,000.

Of the 1924 crop 23,035,135 bushels were marketed for \$35,000,000. The cost of operation was two-fifths of one cent per bushel in 1923, and in 1924 it was approximately three-eighths of one cent. Deductions for reserves were \$211,000 in the former year and \$590,000 in 1924.

At the last session of the provincial legislature an amendment was secured to the act of incorporation, enabling the provincial government to aid the pool to the extent of \$1,000,000 for the building or acquisition of elevators, either country or terminal. A building program has been entered upon.

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MINNESOTA WHEAT POOL ISSUES FINAL FIGURES

Final figures for the 1924 pool of the Minnesota Wheat Growers' Cooperative Marketing Association, Minneapolis, Minn., have been issued, for the year ending July 31, 1925. The figures are as follows:

Bushels of wheat handled.....	1,713,316
Gross amount received from sale of wheat	
(Average price of \$1.631 per bushel) ....	\$2,794,174.67
Total expenses, direct charges for storing,	
handling and operation of association	
(Average expense of 14.26 cents per bu.).	<u>244,582.58</u>
Amount due members, 1924 crop .....	\$2,549,592.09
Amount paid members .....	<u>2,515,363.61</u>
Held as reserve .....	\$34,228.48

Checks for the final settlement went out on August 22. Expenses for the season were reduced a little more than one cent per bushel from those of the previous year when only about half a million bushels were handled. The management believes that the charges are still too high and may be further reduced with larger deliveries of wheat.

Plans for the present season include closing the pool on the first of May in order that the final settlement may be made at an earlier date than was possible this year.



OKLAHOMA ASSOCIATION TO USE UNIVERSAL COTTON STANDARDS

The Oklahoma Cotton Growers' Association has secured the services of a specialist in cotton classing from the United States Department of Agriculture who will supervise the work of the association's classers in order to coordinate their work and assure the members that their cotton will be classified according to the universal cotton standards. This specialist will be with the cotton association during the six months that the greater part of the Oklahoma crop is delivered.

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CREDIT CORPORATION FORMED BY ARKANSAS COTTON GROWERS

In order to aid its members to secure credit for making and marketing their cotton crops, the Arkansas Cotton Growers' Cooperative Association, Little Rock, Ark., has organized the Cotton Association Credit Corporation. Articles of incorporation were filed with the Secretary of State on August 31. The new corporation will secure funds from the Federal intermediate credit banks and other sources and make loans to responsible members of the cotton association. The services of the corporation will be limited to members of the association and it is expected that increased deliveries of cotton will result as owners of mortgaged cotton who are entitled to credit will be able to secure it and market their crops through the association instead of having to sell immediately after ginning to satisfy their creditors. Four of the directors of the credit corporation are directors of the cotton association, and the other two are prominent members of that organization.

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BALANCE SHEET OF NORTH CAROLINA COTTON GROWERS

A balance sheet for the North Carolina Cotton Growers' Cooperative Association as of the close of business on July 31, 1925, has been prepared by auditors. This sheet shows cash on deposit to the amount of \$231,347 and certificates of deposit amounting to \$201,000. Four bales of cotton valued at \$362 are also included among the assets. Gross sales for 116,562 bales handled during the business year were \$13,228,433. Direct expenses chargeable against the cotton amounted to \$325,875, leaving \$12,902,557 as the gross distributable sales. Members have been paid in cash \$12,412,493 or 96% of the gross distributable sales. The deductions included \$358,271 for overhead expense, and \$131,792 for reserves.

Reserves on July 31, 1923, amounted to \$534,229, made up of permanent reserves of 1% from the sales of the past three years and special reserves. The 1% reserves were as follows:

1922-23 .....	\$169,780
1923-24 .....	182,013
1924-25 .....	125,197

AUDITORS' REPORT ON MARKETING TEXAS COTTON

Auditors' statements for the four years that the Texas Farm Bureau Cotton Association has been operating make it possible to give detailed information regarding the marketing activities of the organization. During the four-year period closing with July 15, 1925, it handled for its members, 638,151 bales of cotton. The number of bales handled increased from 93,802 to 284,322, an increase of over threefold. Gross sales for the four years were over \$84,000,000 and operating expenses, \$1,551,840, which was less than 2% of gross sales. Operating expenses per bale, including only overhead, were reduced from \$3.16 in the season of 1921-22 to \$1.99 in the 1924-25 season. Reserves at the close of the several seasons increased from \$89,774 in July of 1922 to \$876,507 to July 15 of 1925.

Some of the more interesting of the available statistical material is given in the following table:

Season	: Bales : Handled :	Gross Sales :	Operating Expenses		: Reserves at : Close of Year
			Total a/	Per Bale	
1921-22	: 93,802 :	\$8,865,128 :	\$ 296,261 :	\$3.16 :	\$89,774
1922-23	: 77,706 :	11,320,942 :	278,946 :	3.59 :	239,079
1923-24	: 182,321 :	26,636,973 :	410,400 :	2.25 :	392,282
1924-25	: 284,322 :	37,237,213 :	566,233 :	1.99 :	876,507
Total	: 638,151 :	84,060,256 :	1,551,840 :		

a/ Less miscellaneous income.

As the statements prepared by the auditors are worked up with considerable detail, it is possible to note the per-bale cost of performing the different functions necessary for the marketing of the cotton. A few of the services and the per-bale cost of each for the several seasons are listed below:

Season	Service Cost per Bale				
	Executive:	Directors:	Finance :	Sales :	Field Service
	(Cents):	(Cents):	(Cents):	(Cents):	(Cents)
1921-22	: 13.193 :	17.930 :	65.635 :	13.981 :	11.435
1922-23	: 24.595 :	21.570 :	11.913 :	23.213 :	32.614
1923-24	: 10.650 :	10.076 :	7.366 :	17.822 :	37.160
1924-25	: 8.887 :	7.267 :	3.903 :	8.739 :	43.180

The above figures show that the cost of the executive department has been reduced from 13 cents a bale to 8 cents and the cost of supervision by the board of directors from 17 cents to 7 cents. The most noticeable reduction is in the cost of financing which was reduced from 65 cents a bale in 1921-22 to less than 4 cents a bale for the season that has just closed. Cost of sales was approximately 14 cents a bale the first season and less than 9 cents the last. Field service has increased each year. It was 11.435 cents the first year and 43.18 cents the last.

The low costs for the last two seasons have been very largely the result of the large number of bales handled.

OKLAHOMA COTTON ASSOCIATION REPORTS FOR FOUR YEARS

A complete statement of receipts and expenditures arising out of the organization of the Oklahoma Cotton Growers' Association, Oklahoma City, Okla., and its operation for four seasons is given in a recent issue of the association's official publication. The statement shows that during the organization period \$344,710 was received (mostly in notes) and \$101,130 was expended. Beginning with the crop of 1921, the association has marketed a total of 417,362 bales of cotton. Gross receipts to August 31, 1925 were \$51,803,470; expenditures were \$2,681,877; growers were paid \$48,481,300 and there remained as unexpended on August 31, \$640,293, including uncollected members' notes. The detailed figures for each of the five periods are given in the following table:

Season	: Number : of Bales	: Gross : Receipts <u>a/</u>	: Expended	: Paid : Members	: Unex- : pended
1920-21	: No cotton	: \$344,710	: \$101,130	: -----	: <u>a/</u> \$243,580
1921-22	: 91,311	: 8,550,098	: 540,605	: \$8,002,352	: 7,141
1922-23	: 65,868	: 8,817,105	: 464,965	: 8,229,589	: 122,551
1923-24	: 118,743	: 16,669,271	: 869,510	: 15,724,737	: 75,024
1924-25	: 141,440	: 17,422,286	: 705,667	: 16,524,622	: 191,997
Total	: 417,362	: 51,803,470	: 2,681,877	: 48,481,300	: <u>a/</u> 640,293

a/ Including uncollected notes for membership fees.

Pool sales for the 417,362 bales of the four crops handled amounted to \$50,486,523 and income from other sources to \$1,316,947. Growers were paid 96% of the pool sales for the four-year period. The average pool sales per bale and average amount per bale paid to growers during the four years were as given in the table below. The percentage which the payments to growers were of the pool sales varied during the four years from 95.5 per cent to 96.3 per cent.

Season	: Number : of : Bales	: Pool Sales : Total : Per Bale	: Per Bale	: Paid Members : Total : Per Bale	: Per cent of : Pool Sales : Paid Members
1921-22	: 91,311	: \$8,375,140	: \$91.72	: \$8,002,352	: \$87.63 : 95.5
1922-23	: 65,868	: 8,545,863	: 129.74	: 8,229,589	: 124.94 : 96.3
1923-24	: 118,743	: 16,383,226	: 137.97	: 15,724,737	: 132.42 : 96.0
1924-25	: 141,440	: 17,182,294	: 121.48	: 16,524,622	: 116.83 : 96.2
Total	: 417,362	: 50,486,523		: 48,481,300	: <u>a/</u> 96.0

a/ Average for four years.



Among the larger items making up the \$2,681,877 of expenditures were the following: warehouse and charges, gross, \$521,000; salaries, general, \$501,000; interest and exchange, \$417,000; field service, \$330,000; insurance on cotton, \$203,000; receiving agents, \$133,000. Among the lesser items were directors, per diem, \$60,627; legal expenses, \$50,901; postage, \$42,423.

The average weight of bales for the different seasons was: 1921-22, 515 pounds; 1922-23, 506 pounds; 1923-24, 499 pounds and 1924-25, 513 pounds.

The average price per pound paid members during the four-year period, ranged from 17.01 cents in 1921-22 to 26.49 cents in 1923-24.

These prices in terms of middling cotton are given by the auditor who prepared the official statement as 17.28 cents and 29.54 cents, respectively. The average prices actually paid during the four years and the middling equivalent are given in the following table:

Season	Average Price		Average Price
	Paid Members		Middling Basis
	(Cents per Pound)		(Cents per Pound)
1921-22	17.01	:	17.28
1922-23	24.67	:	24.53
1923-24	26.49	:	29.54
1924-25	22.77	:	23.22

It is stated that the member-growers received the benefit of an average gain of seven pounds a bale in the last year as there was a gain of that amount over the weights assigned by the gins. This, it is stated, would make the average price, middling basis, 23.62 cents.

The total of unexpended income on August 31 was \$640,293. Of this amount, \$213,595 was uncollected membership fee notes, and \$82,366 uncollected violation notes. Deposits in active banks amounted to \$151,660 and in closed banks to \$2,375. The 1925-26 pool had been loaned \$70,000, and \$10,000 was invested in the capital stock of the Agricultural Credit Corporation. Investments in real estate and equipment amounted to \$92,000.

About \$55,000 has already been expended in connection with the handling of the 1925-26 crop. It is the plan of the board of directors to have monthly statements published which will advise the members as to the movement of cotton through the organization and as to the receipts and disbursements.

In five years the membership of the association has increased from 34,500 to 55,557. The number of members reported for each year is as follows: 1921, 34,500; 1922, 45,526; 1923, 50,618; 1924, 54,172; 1925, (August), 55,557.



OPERATING EXPENSES REDUCED FOR CONNECTICUT TOBACCO

Statistical information relative to the cost of marketing the tobacco of the 1923 and 1924 crops has been supplied to the members of the Connecticut Valley Tobacco Association, Hartford, Conn. Although a considerably smaller quantity of tobacco of the 1924 crop was handled than of the 1923 crop, the cost per pound was less. The total cost in connection with the 1923 crop was 10.44 cents, and for the 1924 crop, 8.11 cents. These totals were made up of a number of subtotals representing overhead, miscellaneous packing expense, insurance, interest on loans, taxes, warehouse packing, and assorting expenses. In all cases except those of general overhead, miscellaneous packing, and taxes, the per-pound cost figures for the 1924 crop are under those for the 1923 crop. Miscellaneous packing is the same for the two years, general overhead and taxes are higher for the latter year. The more important figures from the report sent to members are given in the following table:

Season	Tobacco Handled	Expenses					
		Operating	Warehouse, Pack- ing, Assorting,	Total	Per Lb.	Amount	Per Lb.
	(Pounds)	(Dollars)	(Cents)	(Dollars)	(Cents)	(Dollars)	(Cents)
1923-24	35,311,079	914,771	2.60	2,769,171	7.84	3,683,942	10.44
1924-25	30,728,323	629,267	2.06	1,862,294	6.06	2,491,561	8.11

Approximately 75% of the cost of marketing for the 1924-25 season is represented by payments to warehouses and members for assorting and packing tobacco.

A comprehensive educational program for the coming year has been mapped out. It includes imparting information as to the best methods for growing and handling tobacco, and advising buyers as to the merits of Connecticut leaf. District meetings are now being held throughout the producing section. In addition, the Connecticut Agricultural College is making an intensive study of the economics of the Connecticut tobacco industry.

Educational work with the trade includes information as to the aims, ideals and purposes of the association. Space in the association's official publication is to be used for this purpose and copies are to be mailed to non-grower members and to buyers of tobacco. In announcing the new policy the management says:

They (manufacturers) should know that here is an organization built up for the purpose of better distributing New England cigar leaf tobacco, launched not for the purpose of gauging anybody, but with the idea in mind of improving the quality of Connecticut Valley tobacco through better growing and handling methods, and of more economically distributing the goods after production . . . The prosperity of the cigar leaf industry as a whole depends upon the production of good raw materials at a price the manufacturer can afford to pay and still make cigars which the public will buy.

ONE-HALF MILLION POUNDS EXPECTED BY SOUTH DAKOTA WOOL GROWERS

It is estimated that the 1925 wool clip to be handled by the Cooperative Wool Growers of South Dakota, Brookings, S. Dak., will be approximately one half million pounds, according to a recent report from the management of this association.

Plans are being made to use district warehouses for assembling less than carload lots. It is expected that these warehouses will be authorized to issue warehouse receipts upon which money may be borrowed for making immediate advances to the wool growers.

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PACIFIC GROWERS DELIVER BETTER WOOL

A decided improvement has been made in the Willamette Valley wools handling by the Pacific Cooperative Wool Growers' Association, Portland, Oreg. according to a report from the manager of that association. When wools from this section were first received by the association in 1921, they were badly mixed and poorly prepared for market. To-day the association finds growers producing much cleaner wool from better sheep as a result of five years of educational work in connection with the grading of wools for market. The best grade of paper twine is used by growers for tying fleeces.

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INSTRUCTIONS ISSUED TO MINNESOTA WOOL GROWERS

A circular issued to members of the Minnesota Cooperative Wool Growers' Association, Wabasha, Minn., states that the number of members and patrons has reached approximately 1,600 and is constantly growing, and the association expects to handle about 600,000 pounds of wool this year. Sales made up to September 1 will net the members from 42 cents to 43 cents for bright medium wool. Advances to members are on the basis of 70% of actual value of the wool.

Members are advised that the association has a reputation among eastern buyers for putting up its wools in good shape. All warehouses are bonded and all wool is fully insured.

A prominent feature of the work of the association is its educational campaign for the production of well-bred sheep and desirable wools. The circular presents many suggestions regarding the breeding and care of sheep, approved methods of shearing, of tying fleeces, of caring for the wool, and shipping.

As the Shropshire is the prevailing breed in Minnesota, the association is encouraging Shropshire breeding, except where growers have other satisfactory breeds, in which cases they are advised not to change.

COOPERATION IN JAPAN

Definite information regarding the development of cooperation in Japan and its present status is furnished by a recently published pamphlet entitled: "Development of Cooperative Movement in Japan." It is stated that cooperative societies were first formed in Japan about 1892. Eight years later the movement was given a great impetus by the enactment of the cooperative society law which, with the amendments since made, provides with considerable detail for societies of different kinds and for their supervision, even to the extent of appointing provisional managers in emergencies.

From 1900, the year when the cooperative law was enacted, to 1923, the number of active societies increased from 21 to 14,259. The membership increased to over 2,700,000 and the amount of capital employed increased to about \$200,000,000. In the table below are given the figures which indicate the growth year by year:

Year	Number of Societies	Federations of Cooperative Societies	Number of Members	Amount of Capital (Yen) a/
1900	21	--	----	-----
1901	263	--	----	-----
1902	512	--	----	-----
1903	870	--	58,730	2,164,517
1904	1,232	--	93,632	3,174,221
1905	1,671	--	137,022	4,559,651
1906	2,470	--	224,770	6,831,414
1907	3,363	--	312,759	11,507,447
1908	4,391	--	493,010	16,525,363
1909	5,651	--	631,590	23,477,066
1910	7,308	13	789,264	27,894,540
1911	8,663	24	944,267	38,980,973
1912	9,683	34	1,078,202	51,923,994
1913	10,455	52	1,164,164	62,719,622
1914	11,160	63	1,350,360	72,574,210
1915	11,509	72	1,427,112	83,362,241
1916	11,753	81	1,504,384	102,573,365
1917	12,025	92	1,599,325	141,371,344
1918	12,523	103	1,878,450	213,707,917
1919	13,106	123	1,965,900	224,360,924
1920	13,442	155	2,290,235	302,309,961
1921	13,772	178	2,518,746	354,039,456
1922	14,047	191	2,734,695	418,546,551
1923	14,259	201	----	-----

a/ Yen at par is equal to 49.85 cents.



The cooperative movement in Japan is largely a rural development. Over 77% of the members are agriculturists; about 8% are fishermen; and about 4% shopkeepers.

The average number of members per association has increased from 93 in 1907 to 216 in 1923. One association has a membership of 19,782.

According to the cooperative law every member of a cooperative has one and only one vote, although he may hold up to 50 shares. He can delegate his vote to a brother member. Associations are managed by "committees," the members of which are elected for from one to six years. A "committee man" may have the supervision of a distinct line of work, clerks and laborers working under his direction.

One-fourth of profits are placed in reserves; the remaining profits may be divided among the members, paid to employees as bonuses, or placed in special funds. Profits going to members may be used to pay dividends on share capital up to 10%, may be divided as patronage dividends, or may be used both ways.

Associations may be organized with limited liability, unlimited liability or guaranteed liability. In 1923, 82.2 per cent of all the associations were organized with limited liability, 16% with unlimited, and less than 2% with guaranteed liability.

Four distinct kinds of cooperation are provided for by the law. These are for (1) the furnishing of credit, (2) the sale of produce, (3) the purchase of supplies and (4) the common use of land, buildings, machinery, etc. The associations formed for the latter purpose are called utility societies. As an organization may concern itself with one or more of the four kinds of cooperation there are 15 possible combinations, and the 14,259 active associations have been divided into 15 groups according to the functions performed. The associations classed as credit, sale, and purchase organizations are the most numerous, there being 4,106 of this kind, and the purchase and utility associations form the smallest group, there being but 46 of this type. The different kinds of organizations and the number of each are given in Table 3.

	Number
Credit, sale and purchase.....	4,106
Credit and purchase.....	2,902
Credit, sale, purchase and utility.....	2,584
Credit.....	2,491
Purchase of supplies.....	425
Sale and purchase.....	357
Sale of produce.....	259
Credit, purchase and utility.....	236
Sale, purchase and utility.....	202
Credit and sale.....	182
Sale and utility.....	140
Utility.....	124
Credit, sale and utility.....	110
Credit and utility.....	95
Purchase and utility.....	46
Total.....	14,259



Of the total number of associations, 89.1 per cent furnished credit to their members, 76.1 per cent purchased supplies, 55.7 per cent sold produce and 29.3 per cent were utility organizations.

The credit associations had 1,430,619 loans outstanding at the close of 1922 and held deposits from 1,732,462 members. It is stated that "the maximum amount to be granted (loaned) to individual members is fixed by the ordinary general meeting year by year" and that "as a rule these loans are granted without guarantee . . . The interest in the great majority of cases is fixed at from 9 to 10 per cent which is lower . . . than the ordinary local rate." The usual rate of interest on deposits is given as 6 or 7 per cent per annum. Loans at the end of 1922 totaled \$150,000,000 and deposits, \$115,000,000.

Supplies are purchased cooperatively for carrying on industry and for consumption. Among the commodities purchased are, seeds, fertilizers, eggs of silk worms, raw materials for manufacturing, agricultural and fishing implements, food, fuel, and textile fabrics. Purchases in 1922 amounted to \$60,000,000.

Associations engaged in the sale of produce cooperatively market rice, wheat, barley, soy beans, vegetables, fruits, tea, colza oil, cocoons, raw silk, matting, straw, articles made of straw, livestock, textile fabrics, drapery goods, fish, sugar, paper, etc. Total sales for 1922 amounted to \$75,000,000.

Utility associations provide for the "use of those articles or establishments necessary for industrial or economic purposes." Among the properties owned and operated in common are, warehouses, plants for generating electricity, farm and fishing implements, dwelling houses, household equipment, etc.

Most of the local associations are members of larger organizations which aim to serve their unit members. Seven or more locals are permitted to form a federation. At the close of 1923 there were 191 federations with 10,747 associations as units. This was an average of 56 units for each federation.

In September of 1923 the Cooperative Wholesale Society began operating. By the close of the year it had 701 affiliated members. A central cooperative bank was established in December of 1923 with 11,852 affiliated members. The member societies provided one-half of the share capital and the government the other half.

As early as 1905 the Central Union of Cooperative Societies was founded. It is the purpose of this organization to encourage the development of cooperative associations and federations of cooperative associations. Among its many activities are the giving of lectures; conducting research studies; publishing reports, pamphlets and books upon cooperation; and building exhibition rooms for associations and federations. The central union is under the direct supervision of the Ministry of Agriculture and Commerce.

As the government of Japan is fostering the development of cooperation, the associations are under quite close supervision and they enjoy certain privileges. They are exempt from many taxes; the government provides facilities for associations which are willing to undertake contracts; money is loaned to cooperatives at low interest rates; and the Mortgage Bank of Japan and other land credit banks are authorized to loan money to cooperatives without security.

### SASKATCHEWAN PEOPLE ARE BECOMING COOPERATIVELY MINDED

Two associations have been incorporated in Saskatchewan for the purpose of building and operating on a cooperative basis, community halls. The names of these are, the Shamrock Community Cooperative Association and the Orkney Community Hall Cooperative Association.

It has been suggested by those concerned with the crystallization of public opinion in Saskatchewan that a portion of the refund to the province from the earnings of the government wheat board be used to establish a chair of marketing economics at the University of Saskatchewan.

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### MANITOBA EGG POOL CLOSES FOR THE SEASON

Three egg stations operated by the Manitoba Cooperative Poultry Marketing Association, Ltd., Hartney, Man., were closed for the season on September 1. Final payments are now being made to members of the association.

From April to September of this year, the association handled 47 cars of eggs, an increase of 33 cars over shipments of last year. The cost of handling amounted to about 5 cents per dozen. This included freight on eggs, cases, flats, fillers, excelsior pads, candling costs, salaries, rentals, insurance, cartage, etc.

Nine car loads, or 110,000 pounds of poultry were marketed this year. The association is planning to operate over a very large portion of the province the coming season in shipping dressed poultry.

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### MINNESOTA DAIRIES MAINTAIN NEW YORK AGENCY

Large quantities of butter are handled each year by the Minnesota Cooperative Dairies Association, Owatonna, Minn., an organization formed in 1907 to serve as a sales agency for its member creameries. The association commenced business in May of 1908. The following year it appointed receiving agents in New York and Philadelphia. In June, 1915, the association established its own distributing house in New York City, through which sales are handled. The membership in 1923 consisted of 425 creameries.

A few figures selected from annual reports are given below:

Year:	Butter : Packages :	Pounds : Received :	Gross : Sales :	Net to : Creameries :
1913 :	----- :	778,312 :	----- :	\$ 249,724
1914 :	----- :	1,297,300 :	----- :	410,609
1920 :	70,154 :	4,475,004 :	\$2,623,544 :	2,535,937
1921 :	93,550 :	5,869,354 :	2,381,989 :	2,231,429
1922 :	93,651 :	5,889,237 :	2,390,861 :	2,151,175
1923 :	101,844 :	6,585,960 :	3,039,295 :	2,139,333
1924 :	128,360 :	8,042,849 :	3,469,424 :	3,172,239

WASHINGTON COURT DECLARES COOPERATIVE CONTRACT VOID

The case of the Wenatchee District Cooperative Association against Mohler et al, 237 Pacific 300, recently decided by the Supreme Court of Washington, is one in which the defendants claimed that their contract was void, and the Supreme Court so held. The defendants refused to recognize the contract which they had entered into with the association and it brought suit against them. The defendants in their answer to the suit set up as one of their defenses that the contract was signed by them upon representations made by the association that it would not become effective unless 4,200 cars of apples were signed up on or before March 1, 1921. In this connection the contract contained the following provision;

If, on or before March 1, 1921, 35 per cent of the total apple crop of the district, based on an estimated tonnage of 12,000 cars for the 1921 season, shall not have been procured in these contracts, then all contracts signed by the owners shall be inoperative. But if such per cent is obtained by said date, all contracts shall thereby become fixed and binding on all parties. The tonnage shall be conclusively ascertained by the association by a tabulation of all the tonnage estimated in each of the contracts signed.

The association claimed on the trial of the case that by the terms of the contract, and especially by the underscored language in the above quotation, that the determination by the association of the amount of tonnage is conclusive and binding on all parties to the contract. With respect to this matter the Supreme Court said:

It is true that determination by the association is conclusive as to the tonnage which had been obtained, but that determination must be a fair and honest one, and even though the board of directors acted fairly and honestly in making the determination, if it appears that the data upon which the board came to that determination was unfair and dishonest, and was the result of deliberate padding and misstatements resulting from the efforts of certain officers of the association in an endeavor to make a showing by March 1 of sufficient signed-up tonnage, then the determination by the



association under those facts would not be conclusive upon the appellants or those similarly situated.

An examination of the testimony is necessary to determine whether such misrepresentation took place in this case. That examination satisfies us that, although the board of trustees acted in perfect good faith in determining that a sufficient number of boxes had been signed up to come within the contract terms, yet that determination was based upon grossly excessive estimates, procured by certain officers of the association who at the time knew the estimates were exaggerated, and in fact many of the estimates had been increased upon the solicitation of such officers after the landowner had given his honest judgment as to what crop he might reasonably expect. These changes were made at the importunity of these officers, and with the avowed purpose of so swelling the list as to make it possible to comply with the requirement as to 4,200 carloads of apples.

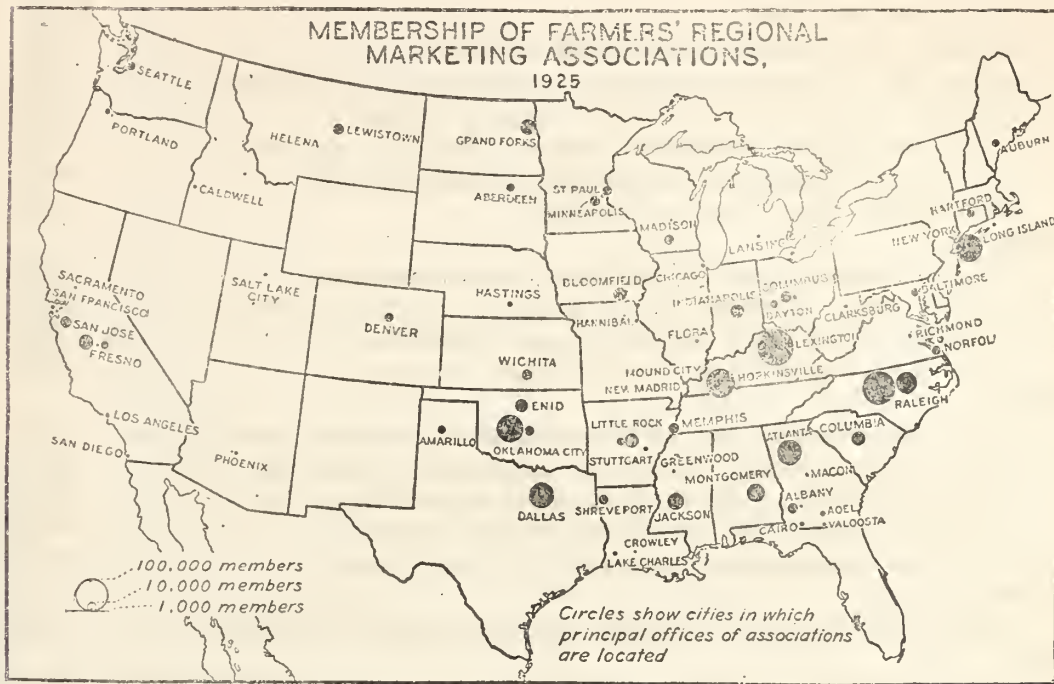
. . . . .  
Of course, in associations of this kind, trustees are not bound to foretell with exactness the amount of crop that will be handled, such exactness is beyond human ability, but where, as here, the estimates have been willfully and fraudulently padded, and the actual delivery is so disproportionate to the one claimed to be anticipated, the court will not hesitate to say that the action of the trustees is not binding upon the subscribers.

There is nothing in the record to justify the court in holding that the appellants have waived their right to rely upon the provision of the contract which we have been discussing, nor is there any element of estoppel against them.

It will be noted from the foregoing that the Supreme Court was of the opinion that the board of trustees of the association had acted in good faith in determining the volume of tonnage which had been signed up but that the data upon which their determination was based were fraudulent and untrue because of acts of the officers of the association with respect thereto.

L. S. Hulbert



MANY MEMBERS IN THE REGIONAL ASSOCIATIONS

Seventy-four regional associations operating in 43 states have a combined membership of 879,190, according to a survey just completed by the Division of Agricultural Cooperation, Bureau of Agricultural Economics, U. S. Department of Agriculture. The above figure does not include the membership of a number of organizations whose future is in doubt, nor the membership of organizations which might be classed as federations, nor the thousands of members of the price-bargaining organizations of milk producers.

Seven tobacco marketing associations have a total of 298,000 members; 15 cotton marketing associations, 291,000; and 15 wheat marketing associations, 100,000 members. The number of organizations and their combined membership for some of the other groups, is as follows: Dairy products, 4 associations, 78,000 members; fruit and vegetable, 8 associations, 36,000 members; wool, 8 associations, 31,000 members.

The 1925 membership of a few of the larger organizations is as follows: Burley Tobacco Growers' Cooperative Association, 108,000 members; Tobacco Growers' Cooperative Association, of Virginia and the Carolinas, 97,000 members; Oklahoma Cotton Growers' Association, 55,000; Texas Farm Bureau Cotton Association, 50,000; Georgia Cotton Growers' Association, 48,000.

Kentucky farmers have joined regional marketing associations in larger numbers than the farmers of any other state. North Carolina stands next and Oklahoma third, with Georgia and Texas in fourth and fifth places, respectively. The number of farmers in the leading states who have become members of regional associations are: Kentucky, 139,000; North Carolina, 84,000; Oklahoma, 75,000; Georgia, 63,000; Texas, 54,000; New York, 45,000.

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A limited number of copies of U. S. Department  
of Agriculture bulletins are available for classroom  
use where courses in cooperation are being given.